

WHAT'S IN THE PRESIDENT'S FISCAL YEAR 2001 BUDGET REQUEST FOR COMMUNITY AND REGIONAL ECONOMIC DEVELOPMENT?

This fact sheet highlights key components of the President's fiscal year 2001 budget request for community and regional economic development initiatives. For more detailed information, visit the web sites for the Department of Housing and Urban Development (www.hud.gov), the Federal Emergency Management Agency (www.fema.gov), the Economic Development Administration (www.doc.gov/eda) and the Small Business Administration (www.sba.gov), and the Treasury (www.treas.gov).

Department of Housing and Urban Development - The President's budget requests \$8.2 billion, \$390 million or 6 percent above fiscal year 2000 enacted levels, for HUD's community and economic development programs, including the following highlights:

- **Community Development Block Grants (CDBG) - \$4.9 billion for CDBG**, a \$100 million or 2 percent increase over fiscal year 2000. This amount includes over \$400 million for the following set-asides: **\$100 million for the Economic Development Initiative/Community Empowerment Fund (EDI/CEF)**; **\$30 million for Section 108** loan guarantees for development in distressed areas; **\$75 million for Youthbuild** to train young people in the building trades; **\$20 million for a new Community and Interfaith Partnership program**, and **\$22 million for economic development in the Mississippi Delta**.
- **Empowerment Zones – \$150 million**, \$95 million or 275 percent above fiscal year 2000 enacted levels, in mandatory funding for grants to Round II Urban Empowerment Zones. It also proposes a third round of 10 new Empowerment Zones (8 urban and 2 rural), but proposes no direct funding for Round III Empowerment Zones.

Economic Development Administration – The President's fiscal year 2001 budget requests \$447 million for EDA, \$35 million or 8 percent above fiscal year 2000 enacted levels, including the following highlights:

- **Economic Adjustment – \$10 million for a new Office of Community Economic Adjustment** and **\$70 million for economic adjustment grants** for communities experiencing sudden economic downturns.

Small Business Administration – The President's fiscal year 2001 budget requests \$1.062 billion for the SBA, 21 percent above the fiscal year 2000 enacted level, including the following highlights:

- **Disaster Loan Program – \$296 million to support \$871 million in loans** to homeowners and businesses affected by disasters.

Federal Emergency Management Agency - The President's fiscal year 2001 budget requests \$3.6 billion for fiscal year 2001 for FEMA, \$239 million or a 7 percent increase over fiscal year 2000. It includes the following highlights:

- **Disaster Relief Fund – \$2.9 billion for disaster relief**, including a \$2.6 billion contingent emergency request. This amount includes requests of **\$50 million for repetitive loss buyouts** and **\$30 million for flood map modernization**.
- **Emergency Management Planning and Assistance (EMPA) – \$303 million for EMPA**, including **\$25 million for a new firefighter health and safety pilot grant program** and **\$27 million for pre-disaster mitigation grants**.

Cross-cutting New Markets Initiative – The President's request for the interagency New Markets Initiative totals \$248 million to leverage private to benefit underserved rural and urban communities.

- **HUD – \$42 million**, including **\$37 million for America's Private Investment Companies** to encourage investment in distressed communities, and a **\$5 million set-aside within CDBG for the New Markets University Partnerships** for universities and neighboring communities to develop economic development plans.
- **SBA – \$127 million**, including **\$51.7 million for New Markets Venture Capital (NMVC)** to increase investments in low to moderate income communities; **\$15 million for Program for Investment in Microenterprises (PRIME)** for grants to disadvantaged entrepreneurs; **\$49.6 million for the Microloan Program**; and **\$6.6 million for local BusinessLINC** coalitions.
- **EDA - \$49 million for the economic development** needs of Native American communities.
- **Treasury – \$30 million for First Accounts** to provide expand access to financial services for and improve financial education of low and moderate income individuals.

Highlights
(budget authority in millions of dollars)

Agency	Program	FY2000 enacted	FY2001 request	\$ change	% change
HUD	Community Development Block Grant (CDBG)	4,781	4,900	119	2
	Community Empowerment Fund/Economic Development Initiative (CEF/EDI)	275 ¹	100	-175	-175
	Youthbuild	42.5	75	32.5	43
	Section 108	30	30	0	0
	Community and Interfaith Partnership Program	0	20	20	100
	Mississippi Delta	0	22	22	100
	New Markets University Partnership	0	5	5	100
	HOME Investment Partnerships	1,600	1,650	50	3
	Brownfields	25	50	25	50
	Empowerment Zones ²	55	150	95	63
	America's Private Investment Companies	20	37	17	46
	Regional Connections (Livable Communities)	0	25	25	100
EDA	Economic Development Administration	412 ³	447 ⁴	35	8
	Broadband Communities	0	23	23	100
	Office of Community and Economic Adjustment	0	10	10	100
	Economic Adjustment Grants	35	70	35	50
	Mississippi Delta	0	10	10	100
	Development in Native American Communities	0	49	49	100
SBA	Disaster Loan Program	326 ⁵	296	-30	-10
	New Markets Initiative	87	127	40	31
	New Markets Venture Capital (NMVC)	15	51.7	36.7	71
	Program for Investment in Microenterprises (PRIME)	0	15	15	100
	Microloan Program	27.6	49.6	22	44
	BusinessLINC	1.5	6.6	5.1	77

Highlights (con't)
(budget authority in millions of dollars)

Agency	Program	FY2000 enacted	FY2001 request	\$ change	% change
FEMA	Disaster Relief Fund	2,765	2,906	141	5
	Repetitive Loss Buyouts	0	50	50	100
	Flood Map Modernization	5	30	25	83
	Emergency Management Planning and Assistance (EMPA)	270	303	33	11
	Firefighter Health and Safety Pilot Grants	0	25	25	100
	Pre-Disaster Mitigation Grants	25	27	2	7
Treasury	First Accounts	0	30	30	100

1. The fiscal year 2000 enacted level of \$275 million for EDI included \$250 million in targeted set-asides.
2. The fiscal year 2000 budget proposes to make funding for Round II Empowerment Zones mandatory.
3. The fiscal year 2000 enacted level of \$412 million for the Economic Development Administration assumes the enactment of a \$25 million fiscal year 2000 supplemental request for planning grants to communities affected by Hurricane Floyd.
4. The fiscal year 2001 request of \$447 million for EDA includes a \$10 million advance appropriation provided in the fiscal year 2000 agriculture appropriations bill.
5. The fiscal year 2000 enacted level of \$326 million for the Disaster Loan Program assumes the enactment of a \$51 million fiscal year 2000 supplemental request for communities affected by Hurricane Floyd.

*Prepared by the Senate Budget Committee Democratic Staff
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